

Delmarva Power's Initial List of Issues for May 16, 2007 Meeting:

Implementation Issues:

- a) Scope of events (weather only or all inclusive)
- b) Should all rate classes be included
- c) Restricting size of price adjustments
- d) Timing of adjustments (monthly, quarterly, annually)
- e) Impact on utility risk profile (should rate of return be affected)
- f) Low income customer considerations (making sure it works for them)
- g) Implementation approach
- h) Customer charge increase alternative
- i) Earnings cap or other mechanism to avoid over earning
- j) Need for general rate case to set fixed costs
- k) Conservation:
 - i. how decoupling would encourage it
 - ii. programs (DSM, weatherization, education, etc.)
 - iii. how can effect be measured

Other Issues:

- a) Impact on various rate classes
- b) Experience of other jurisdictions and their relevance to the needs of Delaware (*can Delaware expect similar results or does or does it have unique needs or characteristics that might make its experience different*)